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DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-854]

Supercalendered Paper from Canada: Initiation of Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based upon a request from Verso Corporation (Verso) (*i.e.*, the petitioner), the Department of Commerce (Commerce) is initiating a changed circumstances review (CCR) to consider the possible revocation of the countervailing duty (CVD) order on supercalendered paper (SC paper) from Canada.

DATES: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Emily Halle or Nicholas Czajkowski, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0176 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 10, 2015, Commerce published the *CVD Order* on SC paper from Canada.<sup>1</sup> On March 21, 2018, Verso requested that Commerce conduct a CCR, pursuant to section 782(h)(2) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.222(g)(1)(i). Verso

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<sup>1</sup> See *Supercalendered Paper from Canada: Countervailing Duty Order*, 80 FR 76668 (December 10, 2015) (*CVD Order*).

expressed a lack of interest in the enforcement or existence of the *CVD Order*, and requested the retroactive revocation of the *CVD Order*, effective August 3, 2015.<sup>2</sup>

#### Scope of the Order

The product covered by the order is SC paper. SC paper is uncoated paper that has undergone a calendering process in which the base sheet, made of pulp and filler (typically, but not limited to, clay, talc, or other mineral additive), is processed through a set of supercalenders, a supercalender, or a soft nip calender operation.<sup>3</sup>

The scope of this order covers all SC paper regardless of basis weight, brightness, opacity, smoothness, or grade, and whether in rolls or in sheets. Further, the scope covers all SC paper that meets the scope definition regardless of the type of pulp fiber or filler material used to produce the paper.

Specifically excluded from the scope are imports of paper printed with final content of printed text or graphics.

Subject merchandise primarily enters under Harmonized Tariff Schedule of the United States (HTSUS) subheading 4802.61.3035, but may also enter under subheadings 4802.61.3010, 4802.62.3000, 4802.62.6020, and 4802.69.3000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

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<sup>2</sup> See Letter from Verso, “Supercalendered Paper from Canada/Request for Changed Circumstances Review,” March 21, 2018 (Verso Request).

<sup>3</sup> Supercalendering and soft nip calendering processing, in conjunction with the mineral filler contained in the base paper, are performed to enhance the surface characteristics of the paper by imparting a smooth and glossy printing surface. Supercalendering and soft nip calendering also increase the density of the base paper.

## Initiation of CCR

Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. Section 351.222(g) of Commerce's regulations provides that Commerce will conduct a CCR under 19 CFR 351.216, and may revoke an order in whole or in part, if it determines that the producers accounting for substantially all of the production of the domestic like product have expressed a lack of interest in the order, in whole or in part.<sup>4</sup> Section 351.216(d) of Commerce's regulations provides that if Commerce determines that changed circumstances sufficient to warrant a review exist, it will conduct a CCR, in accordance with 19 CFR 351.221.

Based on the information Verso provided in its request, Commerce has determined that changed circumstances sufficient to warrant the review exist.<sup>5</sup> Both the Act and Commerce's regulations require that "substantially all" domestic producers express a lack of interest in the *CVD Order* for Commerce to revoke the *CVD Order*.<sup>6</sup> Commerce has interpreted "substantially all" to represent producers accounting for at least 85 percent of U.S. production of the domestic like product.<sup>7</sup> The data provided in Verso's request indicated that it accounts for at least 85 percent of domestic production.

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<sup>4</sup> See section 782(h) of the Act and 19 CFR 351.222(g)(1)-(2).

<sup>5</sup> See 19 CFR 351.216(d).

<sup>6</sup> See section 782(h) of the Act and 19 CFR 351.222(g).

<sup>7</sup> See, e.g., *Certain Cased Pencils from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review, and Intent to Revoke Order in Part*, 77 FR 42276 (July 18, 2012), unchanged in *Certain Cased Pencils from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review, and Determination To Revoke Order, in Part*, 77 FR 53176 (August 31, 2012).

In accordance with section 751(b) of the Act and 19 CFR 351.221 and 351.222, based on an affirmative statement of no interest by the domestic parties in continuing the *CVD Order*, we are initiating this CCR.

#### Public Comment

Interested parties are invited to provide comments and/or factual information regarding the CCR. Comments and factual information may be submitted to Commerce no later than ten days after the date of publication of this notice. Rebuttal comments and rebuttal factual information may be filed with Commerce no later than five days after the comments and/or factual information are filed.<sup>8</sup> All submissions must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>9</sup> An electronically filed document must be received successfully in its entirety by ACCESS, by 5:00 p.m. Eastern Time on the due dates set forth in this notice.

#### Preliminary and Final Results of the Review

Commerce intends to publish in the *Federal Register* a notice of the preliminary results of the CCR in accordance with 19 CFR 351.221(b)(4) and (c)(3)(i), which will set forth Commerce's preliminary factual and legal conclusions. Commerce will issue its final results of the CCR in accordance with the time limits set forth in 19 CFR 351.216(e).

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<sup>8</sup> Submission of rebuttal factual information must comply with 19 CFR 351.301(b)(2).

<sup>9</sup> *See, generally*, 19 CFR 351.303.

This is issued and published in accordance with sections 751(b)(1), 777(i)(1), and 782(h) of the Act and 19 CFR 351.221(b)(1), (4), and 351.222(g).

Dated: May 7, 2018. Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.  
[FR Doc. 2018-10202 Filed: 5/11/2018 8:45 am; Publication Date: 5/14/2018]